

Message Text

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PAGE 01 BUDAPE 04281 271246Z
ACTION COME-00

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SUBJ: PROPOSED FY-78 TRADE PROMOTION EVENTS

REF : (A) BUDAPEST 4220 (B) STATE 301616

1. FROM THE TSS'S PROPOSED IN REF B ONLY IRRIGATION
EQUIPMENT AND ENERGY SYSTEMS MISSIONS SHOULD VISIT
HUNGARY.

2. IN RECENT YEARS U.S. HAS SATURATED MAGYARS WITH
CHEMICAL TRADE PROMOTION EVENTS:

1973 - OIL AND GAS DRILLING AND EXPLORATION
EQUIPMENT (BUDAPEST SPRING FAIR)
1975 - MARCH: AGRICULTURAL CHEMICALS TSS
MAY: PLASTICS PRODUCTION TSS
MAY: CHEMICAL INDUSTRY INSTRUMENTS
(BUDAPEST SPRING FAIR)
NOVEMBER: CHEMICAL AND PETROCHEMICAL TSS
NOVEMBEG: VISIT OF A HUNGARIAN CHEMICAL TRADE
MISSION TO THE U.S.

IN ADDITION, A PESTICIDES AND HERBICIDES TSS IS
SCHEDULED FOR JUNE 1977. ENOUGH IS ENOUGH.

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3. SUBSTITUTE FOR CHEMICAL INDUSTRY TSS SHOULD BE
FROZEN FOOD EQUIPMENT AND SYSTEMS. DURING CURRENT
FIVE-YEAR PLAN HUNGARY PLANS TO SPEND TWO BILLION
FORINTS ON INVESTMENTS FOR THE DEEPFREEZING INDUSTRY,
INCLUDING RECONSTRUCTION AND ENLARGEMENT OF EXISTING
PLANTS. AT LEAST ONE NEW PLANT WILL BE BUILT ON A

TURNKEY BASIS BY AN ITALIAN FIRM. CURRENTLY, THE HUNGARIAN DEEFPREEZING INDUSTRY TRUST HAS TEN OPERATING FACTORIES AND IN 1975 MAGYARS EXPORTED \$13 MILLION WORTH OF FROZEN FOODS TO WESTERN EUROPE, MIDDLE EAST, AND CEMA. EXPORTS CAN REASONABLY EXPECT TO DOUBLE WITH HIGHER PRODUCTIVITY CAPACITY. HUNGARIANS PRESENTLY HAVE COOPERATION AGREEMENTS WITH THE FINNS (FINDUS) AND THE DUTCH (UNILEVER). NEGOTIATIONS ARE UNDERWAY WITH THE SWEDES (FOODIMPEX) AND THE SWISS (SIEBNER-HEGNER) ON POSSIBLE COPRODUCTION AGREEMENTS. EQUIPMENT OF SPECIAL INTEREST: SYSTEMS FOR FREEZING VEGETABLES, FRUITS, PASTRY, CAKES, ICE CREAM, FINISHED AND SEMI-FINISHED FROZEN MEALS, PACKAGING MACHINERY AND STORAGE SYSTEMS. POSSIBLE BUYERS/END USERS INCLUDE: MINISTRY OF AGRICULTURE AND FOOD; KOMPLEX FOREIGN TRADING COMPANY; HUNGARIAN DEEFPREEZING INDUSTRY TRUST; CANNING TRUST; LEHEL REFRIGERATOR FACTORY; AND TRANSELEKTRO FOREIGN TRADING COMPANY. EMBASSY RECOMMENDS THAT FROZEN FOOD EQUIPMENT AND SYSTEMS TSS VISIT BUDAPEST.

4. IRRIGATION EQUIPMENT IS ALSO PROMISING SUBJECT FOR TSS. HOWEVER IF USG SPONSORS BDO AT MIPEL '77 (OCT 19-23) EMBASSY MIGHT NOT BE ABLE TO ACCOMMODATE BOTH AND IF POSSIBLE TSS SHOULD BE SCHEDULED FOR NOVEMBER. IRRIGATION RECEIVES IMPORTANT EMPHASIS IN CURRENT PLAN, AND SOME FOUR BILLION FORINTS WILL BE SPENT FOR DEVELOPMENT, RECONSTRUCTION AND ESTABLISHMENT OF IRRIGATION FACILITIES BY 1980. BEST PROSPECTS, AS USUAL, ARE THROUGH COPRODUCTION AGREEMENTS. HUN-
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GARIAN IRRIGATION CAPACITY TOTALS ABOUT 451,000 HECTARES. SOME 300,000 HECTARES ARE PRESENTLY UNDER SPRAY-TYPE IRRIGATION, BUT 60 PER CENT OF THE EQUIPMENT USED IS OBSOLETE. MODERN PORTABLE SPRAY IRRIGATION IS CURRENTLY PRACTICED ON ONLY 50,000 HECTARES. APPROXIMATELY 100,000 HECTARES ARE SUITABLE FOR SURFACE IRRIGATION. HUNGARY PRODUCES SOME SPRAY-TYPE IRRIGATION FOR VEGETABLES, SUGAR BEETS, POTATOES, SOYBEANS, ALFALFA AND RICE. POSSIBLE BUYERS/END USERS ARE: MINISTRY OF AGRICULTURE AND FOOD; IRRIGATION RESEARCH INSTITUTE; MINISTRY OF METALLURGY AND MACHINE BUILDING; AGRICULTURAL MACHINERY TRUST; AGRICULTURAL MACHINERY TESTING INSTITUTE; AGRICULTURAL MACHINERY DEVELOPMENT INSTITUTE; CENTRAL OFFICE OF STATE FARMS; AND CENTRAL OFFICE OF AGRICULTURAL COOPERATIVES.

5. EMBASSY EVALUATION OF ENERGY SYSTEMS TSS WILL FOLLOW IN EARLY 1977.

6. DECISION AND EMBASSY COMMENT ON PARTICIPATION IN
AGROMASEXPO '78 WILL FOLLOW AFTER COMPLETION OF
RECRUITMENT FOR AGROMASEXPO '77.

7. EMBASSY LOOKS FORWARD TO RECEIVING INFORMATION
ON BDP AT MIPEL '77 (REF A).
MUDD

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